

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Mid-America Pipeline Company, LLC

Docket Nos. IS06-520-000  
and IS05-216-00, *et al.*

ORDER ACCEPTING AND SUSPENDING TARIFF, SUBJECT TO REFUND, AND  
CONSOLIDATING PROCEEDINGS

(Issued September 15, 2006)

1. On August 18, 2006, Mid-America Pipeline Company, LLC (MAPL) filed FERC Tariff No. 45 to be effective September 18, 2006. FERC Tariff No. 45 cancels FERC Tariff No. 42. Williams Energy Services, LLC and Williams Power Company, Inc. (jointly, Williams) protested the filing and asked the Commission to consolidate this proceeding with the ongoing consolidated proceedings in Docket No. IS05-216-000, *et al.*

2. As discussed below, the Commission will accept and suspend FERC Tariff No. 45 to be effective September 18, 2006, subject to refund, and will consolidate this proceeding with the ongoing consolidated proceedings in Docket No. IS05-216-000, *et al.*

**Description of the Filing**

3. MAPL states that that FERC Tariff No. 45 revises certain rates in the Rocky Mountain – Four Corners region. According to MAPL, the tariff cancels a portion of Item 210, *i.e.*, the separate rates for the “Ethane Component of Demethanized Mix” originating in Groups 100, 101, and 102 and moving to the Hobbs Fractionator and Group 950. MAPL states that these movements will now be subject to the single Demethanized Mix rate shown in Item 210. Further, continues MAPL, the previously-discounted rates from Groups 100-110 to the Hobbs Fractionator also in Item 210 are cancelled. MAPL explains that the local rates to the Hobbs Fractionator (Group 120 plant) will become the same as rates to other Group 120 Destinations, and in addition, the joint rates from Groups 100-104 to Group 950 will be increased. Finally, MAPL states

that the rates from Groups 105 and 110 to Group 950 will remain unchanged. MAPL maintains that all the joint rates are equal to or less than the sum of the local rates utilized to make these moves.

4. Specifically, MAPL states that Item 210C *Daily Ethane Component of Demethanized Mix Incentive Rate Program* has been cancelled, and the footnote referencing this program is cancelled. MAPL further states that, in Item 310 *Incentive Rates – Group 100*, the separate rate for the “Ethane Component of Demethanized Mix” is cancelled, and product will move at the single Demethanized Mix rate. MAPL explains that the incentive rates to Mont Belvieu, Texas destinations and the Hobbs Fractionator have been increased in compliance with the volume incentive program described in Item 300(d). MAPL points out that these rates also remain at or below the sum of the local rates or the index ceiling. Additionally, MAPL’s filing cancels the *Daily Ethane Component of Demethanized Mix Incentive Rate Program for Contract Volume Incentive Shippers* in Item 310C, along with the footnote referencing that program.

### **Intervention and Protest**

5. Williams filed a motion to intervene, a protest, and a request that this filing be consolidated with the ongoing proceedings in Docket No. IS05-216-000, *et al.* Williams states that it protests FERC Tariff No. 45 to preserve its prior objections to specific program, allocation, and rate proposals. Additionally, Williams requests suspension of this joint rate increase pending completion of the already-consolidated rate proceedings in Docket No. IS05-216-000, *et al.*, and Williams asks the Commission to suspend the elimination of the lower ethane incentive rate for Group 100 and corresponding increase in the joint rate for ethane, especially in light of the fact that MAPL is retaining the lower rate in its new volume incentive program. Further, Williams challenges MAPL’s definition of “Base Capacity” as impermissibly vague and asserts that a MAPL affiliate will be the principle beneficiary of MAPL’s previously-submitted capacity allocation proposal.

6. Citing an announcement of the new Overland Pass Pipeline project which, upon completion in 2008, will transport natural gas liquids (NGLs) from Wyoming to Texas, Williams states that it will ship on that pipeline, but emphasizes that it will continue to be a shipper on MAPL’s Rocky Mountain system and Seminole Pipeline Company’s (Seminole) pipeline.<sup>1</sup> Williams alleges that, over the last 18 months, MAPL has submitted tariff proposals directed at Williams in retaliation for Williams’ participation in the Overland Pass Pipeline project. Williams contends that MAPL’s retaliatory conduct toward Williams violates the Interstate Commerce Act (ICA). Williams claims that

---

<sup>1</sup> MAPL and Seminole, MAPL’s affiliate, provide a joint service from origin points on the MAPL Rocky Mountain system to Group 950 on the Seminole system under joint tariffs filed by MAPL.

MAPL's series of related tariff proposals directly and negatively affects Williams' transportation and economic interests on the Rocky Mountain segment.

7. Williams states that the Commission previously has consolidated three MAPL rate proposals, the first two by orders issued June 27, 2005,<sup>2</sup> and April 27, 2006.<sup>3</sup> Williams explains that the Commission accepted, suspended subject to refund, and consolidated MAPL's proposals to (i) cancel prior rate increases, (ii) decrease specific rates, (iii) modify incentive rate program eligibility requirements, and (iv) increase rates on the Northern segment of MAPL's pipeline. According to Williams, in a third order issued August 24, 2006,<sup>4</sup> the Commission accepted a portion of Williams' complaint against MAPL, Seminole's local rate, and the MAPL/Seminole joint rates and consolidated it with the two previous filings. Williams points out that the parties to the instant proceeding are also parties to the already-consolidated proceedings, the rate issues (including Seminole's local rate) overlap in the proceedings, and the revenue and allocation determinations underway in the consolidated proceedings will affect the rates under review in the instant proceeding.

8. Williams argues that the requested MAPL/Seminole joint rate increase in this proceeding is excessive. Williams reiterates that the Commission set Seminole's local rate for hearing in the consolidated proceedings; therefore, reasons Williams, the entire joint rate is already subject to review.

9. Further, Williams argues that MAPL's allocation of capacity is discriminatory and provides an undue preference to new shippers and certain existing shippers. Williams asserts that MAPL's capacity definitions are impermissibly vague in that FERC Tariff No. 45 does not define "Base Capacity" and "Expansion Capacity" in terms of barrels per day. Moreover, continues Williams, the capacity allocation provision under MAPL's new volume incentive program makes no attempt to specify the amount of capacity to which a historical shipper would be entitled to if the 50,000 bpd is not added by July 2007 as scheduled.

10. Williams also argues that the capacity allocation provision provides an unfair preference to a MAPL affiliate.<sup>5</sup> Specifically, Williams states that Enterprise Products

---

<sup>2</sup> *Mid-America Pipeline Company, LLC*, 111 FERC ¶ 61,483 (2005).

<sup>3</sup> *Mid-America Pipeline Company, LLC*, 115 FERC ¶ 61,124 (2006).

<sup>4</sup> *Williams Energy Services, LLC v. Mid-America Pipeline Company, LLC*, 116 FERC ¶ 61,175 (2006).

<sup>5</sup> MAPL is a subsidiary of Enterprise Products Partners L.P.

Partners L.P. is now developing new processing assets that will produce significant volumes of NGLs to be shipped on the Rocky Mountain segment at Groups 100 and 102 origins. Williams contends that this development will require equally significant allocations of capacity to transport the NGLs to market. According to Williams, MAPL's capacity allocation provision takes existing capacity from Williams and awards the lion's share to new shippers such as its affiliate.

### **MAPL's Response**

11. On September 11, 2006, MAPL filed its response to Williams' protest and request for consolidation. MAPL contends that the protest should be dismissed for failure to raise any issue warranting suspension or investigation. MAPL argues that its proposed joint rates are just and reasonable, and in any event, there is no authority under the ICA to suspend a rate indefinitely, which is the effect of Williams' request that this filing be suspended until completion of the consolidated proceedings in Docket No. IS05-216-000, *et al.* MAPL further asserts that the existence of the consolidated proceedings provides no ground for suspending the joint rate because the MAPL local rate underlying the MAPL/Seminole joint rate is not at issue in that proceeding.

12. Additionally, MAPL states that Williams has presented no basis for suspending or investigating the cancellation of the ethane discount rates from Group 100 origins, that Williams' protest is an improper collateral attack on the Commission's prior orders, and that the claims of retaliatory conduct lack merit.

### **Commission Analysis**

13. The Commission will accept and suspend MAPL's FERC Tariff No. 45 to be effective September 18, 2006, subject to refund, and will consolidate this proceeding with the ongoing consolidated proceedings in Docket No. IS05-216-000, *et al.* In FERC Tariff No. 45, MAPL proposes changes to rates that are at issue in the consolidated proceedings, and Williams is already a party to those proceedings. The Commission specifically rejects Williams' protest insofar as Williams alleges that MAPL's recent filings are in retaliation for Williams' participation in a new pipeline project. Williams' assertions are no more than an allegation. MAPL has a statutory right under ICA section 15(7) to propose changes to its tariffs as often and for whatever reasons MAPL considers appropriate. Williams' mere listing of MAPL's filings as support for its allegation thus is irrelevant.

### **Suspension**

14. Based upon a review of the filing, the Commission finds that MAPL's FERC Tariff No. 45 has not been shown to be just and reasonable and may be unjust,

unreasonable, unduly discriminatory, or otherwise unlawful. Accordingly, the Commission will accept FERC Tariff No. 45 for filing and suspend it to be effective September 18, 2006, subject to refund.

The Commission orders:

(A) FERC Tariff No. 45 is accepted for filing and suspended to be effective September 18, 2006, subject to refund.

(B) This proceeding is consolidated for hearing with the ongoing proceedings in Docket No. IS05-216-000, *et al.*

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.